

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF JACKSON PURCHASE) CASE NO.
ENERGY CORPORATION TO AMEND TARIFFS) 2009-00451

INITIAL DATA REQUEST OF COMMISSION STAFF
TO JACKSON PURCHASE ENERGY CORPORATION

Jackson Purchase Energy Corporation ("Jackson Purchase"), pursuant to 807 KAR 5:001, is to file with the Commission the original and five copies of the following information, with a copy to all parties of record. The information requested herein is due 14 days from the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Jackson Purchase shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Jackson Purchase fails or refuses to furnish all or part of the requested

information, Jackson Purchase shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to paragraph 16 of the Application. Jackson Purchase states, "JPEC will install one (1) pole per service location for outdoor lighting fixtures. Additional poles may be requested and installed by JPEC, but any costs incurred by JPEC in providing the installation shall be paid by the member. JPEC would also then maintain the pole and fixture without cost to the member, unless the member has negligently caused damage to the pole."

a. Would Jackson Purchase maintain the pole and fixture at no cost to the member for only the initial pole, or for all poles?

b. Explain whether Jackson Purchase or the member would be the owner of all additional poles.

c. Provide the cost to the member for an additional pole installed for outdoor lighting. Provide all calculations and workpapers required to support your answer.

2. Refer to paragraph 17 of the Application. Jackson Purchase states, "The perpetual lease fee shall be specified in JPEC's Non-Recurring Charges Tariff and shall be set at \$100.00." Explain why Jackson Purchase did not include the \$100.00 fee in its

revised Non-Recurring Charges Tariff (P.S.C. KY NO. 6, Sheet No. 132) included with this Application.

3. Refer to Exhibit B of the Application.

a. The revised tariff pages are labeled as PSC KY No. 6, Sheet No. XX, Cancelling PSC KY No. 5, Sheet No. XX. Since Jackson Purchase is not filing an entirely new tariff, for those pages that are changing, provide revised tariff pages in accordance with 807 KAR 5:011 that label the tariff pages as PSC KY No. 5, 1st Revised Sheet No. XX, cancelling PSC KY No. 5, Original Sheet No. XX.

b. Refer to Sheet 11 of Jackson Purchase's proposed tariff. Provide all calculations and details supporting the proposed monthly charge of \$12.34 for the replacement 150-watt metal light.

4. Refer to page 2, answer 7 of the Prefiled Testimony of G. Kelly Nuckols ("Nuckols Testimony").

a. Provide all documentation of discussions with, and by, the Jackson Purchase Board of Directors ("Jackson Purchase Board") of the amendments presented in the Application.

b. Provide a copy of any Jackson Purchase Board resolution approving the submittal of the amendments in the Application.

5. Refer to page 4, answer 13 of the Nuckols Testimony. Mr. Nuckols states that, under the presently approved Schedule D – Commercial and Industrial Demand Less than 3,000 kW, a large decrease in the member's demand over a prolonged period of time would result in Jackson Purchase not recovering its fixed investment. Has

Jackson Purchase experienced a shortfall in recovering its fixed investment since implementing the current Schedule D?

- a. If yes, provide the amount of the under-recovery experienced.

Provide all calculations and workpapers required to support your answer.

- b. If no, explain at what point the shortfalls in recovery are expected to occur and the estimated amount of the under-recovery on a monthly basis. Provide all calculations and workpapers required to support your answer.

6. Refer to page 4, answer 14 of the Nuckols Testimony. Mr. Nuckols states that the Schedule D Minimum Monthly Demand factor in subpart 4 has been reduced from 60 percent to 20 percent to more fairly reflect the actual costs.

- a. Explain whether the percentage factor was changed as a result of Jackson Purchase's 1997 rate case. If the factor was changed, provide the percentage rate that existed prior to the change.

- b. Explain how the 20-percent factor was determined to more fairly reflect the actual costs. Include in the explanation whether a percentage other than 20 percent was considered. Provide all calculations and workpapers required to support your answer.

- c. Explain whether the reduction in the Minimum Monthly Demand factor has any effect upon the revenue generated under Schedule D. If the revenue will be affected, provide the amount of revenue to be gained or lost due to the change. Provide all calculations and workpapers required to support your answer.

7. Refer to page 4, answer 16 of the Nuckols Testimony. Jackson Purchase states that the amounts of Schedule D minimum billings range from \$.38 to \$1,600.56 above actual consumption.

a. What is the total amount of minimum billings above actual consumption during the last 12 months for the Schedule D tariff?

b. Explain how the proposed change in the Schedule D tariff can be deemed "revenue neutral" given the answer to question 7.a.

8. Refer to page 5, answer 17 of the Nuckols Testimony. Mr. Nuckols states that, based upon analysis and review of the last 12 months' billings, members will not receive an increase in their bills as a result of the changes to the Schedule D tariff.

a. Are there any circumstances, regardless of the 12-month analysis performed, in which the proposed changes could result in an increase for a customer served under Schedule D? Explain.

b. Is it Jackson Purchase's position that no other customer class will be negatively impacted by the proposed amendments to Schedule D? Explain.

9. Refer to page 8, answer 34 of the Nuckols Testimony.

a. Provide all documentation supporting the Jackson Purchase Board's approval of the perpetual lease fee and its inclusion under Jackson Purchase's nonrecurring charges tariff.

b. Explain how the \$100.00 perpetual lease fee was determined. Provide all calculations and workpapers required to support your answer.

c. Since the \$100.00 perpetual lease fee does not cover the full installation cost of the meter pole, explain whether the cost differential will be assigned to other members or customer classes.

10. Refer to page 8, answer 35 of the Nuckols Testimony. Provide all calculations, details, and documentation supporting the average meter pole cost of \$191.61.

11. Refer to page 8, answer 37 of the Nuckols Testimony. Before assuming ownership of a member's meter pole, will Jackson Purchase inspect the meter pole?

a. If yes, if Jackson Purchase finds any problems during such an inspection, will Jackson Purchase require the member to pay for the entire cost of replacing such meter pole?

b. If no, is it Jackson Purchase's position that the member cost related to a meter pole, other than damages caused by the member, is capped at the perpetual lease fee to be listed in Jackson Purchase's nonrecurring charges tariff?



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cc: Parties of Record

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